



**DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108**

MAY - 7 2013

**MEMORANDUM FOR DIRECTOR OF CIVIL WORKS**


**SUBJECT: Sutter Basin, California – Deviation from the National Economic Development Plan**

I am responding to the Army Corps of Engineers (Corps) memorandum dated March 18, 2013, which requests an exception to the policy that requires decision documents to recommend the National Economic Development (NED) Plan. The exception would allow the subject draft feasibility report and draft environmental impact statement to tentatively recommend a Locally Preferred Plan (LPP) for flood risk management improvements. The request indicates that the Sutter Butte Flood Control Agency and the Central Valley Flood Protection Board, as the non-Federal sponsors, support the LPP in lieu of the NED Plan in order to comply with California Government Code requirements for a 200-year level of protection for urban and urbanizing areas by 2025.

Based on the materials provided, the LPP would reduce the vulnerability of a larger population and additional critical infrastructure, reduce economic flood risks to a greater extent, and provide more evacuation routes relative to the NED Plan. The LPP would cost about \$290,000,000 more than the NED Plan. As proposed, the non-Federal sponsors would be responsible for the entire extra cost, which would increase the non-Federal cost share from about \$148,000,000 for the NED Plan to about \$438,000,000 for the LPP. The Federal cost share of initial construction, estimated at \$275,000,000, would remain the same for the NED Plan and the LPP.

In addition to the request for an exception, the Corps provided responses on April 17, 2013, to questions my staff raised about the study and the two plans. The responses resolved all but three of those concerns. First, significant population growth during the 50-year period of analysis appears likely and must be explicitly considered in evaluating the public safety aspects of the final alternatives and measures for managing the respective residual risks. Second, the effect of induced development on the public safety aspects of the final alternatives and the residual risks must be assessed. If a reasonable estimate of induced development cannot be achieved, then the analyses should assume full development of areas designated as potentially developable. Areas with temporary restrictions on development should be considered potentially developable unless the Corps can demonstrate that the temporary restrictions would become permanent. Third, the effects of alternatives and their respective induced development and population growth on natural floodplain functions, including the ecological and hydrologic functions, must be assessed.

After reviewing the materials provided, I have decided to grant the requested policy exception, subject to the Corps incorporating the information discussed above into the final decision documents. The documents should be explicit about compliance with EO 11988, particularly the determination of practicable alternatives. The draft feasibility report and draft environmental impact statement may tentatively select the LPP and be released for public review. I concur that the added cost of the LPP relative to the NED Plan, currently estimated at \$290,000,000, would be a 100 percent non-Federal cost, with the remainder of the first cost shared 65 percent Federal, 35 percent non-Federal consistent with current policy.

  
Jo-Ellen Darcy  
Assistant Secretary of the Army  
(Civil Works)